



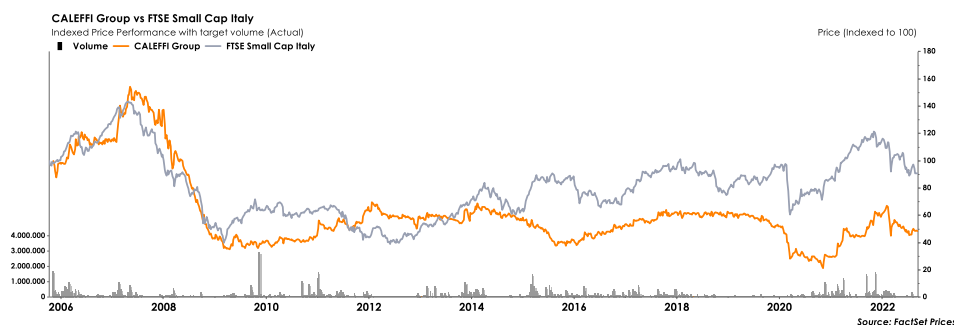
Solid 1H22 results though reflecting challenging market conditions

Sector: Personal & Household Goods

1H22 revenues at Euro 25.3 m, EBITDA margin at 9.4%. CALEFFI an Italian leader in the Home Fashion industry, reported a solid set of results although in slight contraction vs. prior year. This was according to Management due to the macroeconomic situation which has put the whole market under pressure with cost inflation negatively impacting consumer spending. More in detail, 1H22 revenues stood at Euro 25.3 m, -11% YoY (Euro 28.4 m in 1H21). Caleffi Spa recorded revenues of Euro 19.6 m (Euro 20.8 m in 1H21), whereas Mirabello Carrara, the 70% owned luxury subsidiary, recorded revenues of Euro 6.8 m (Euro 8.2 m in the first half of 2021). The domestic market counted for c. 90% of total revenues (Euro 22.8 m vs. 25.4 In 1H22). 1H22 EBITDA came in at Euro 2.4 m (Euro 3.9 in 1H21) posting an EBITDA margin of 9.4%, below that of the first six months of 2021 (13.7%), but still well above pre-Covid levels as the Group has managed to structurally raise profitability (average EBITDA margin of 4% in the FY17-19 period) thanks to Management's efforts to reduce costs along the entire supply chain. The slowdown in 1H22, was mainly to be attributed to the inevitable mismatch between costs inflation and the implementation of the new price list. In 1H22, Caleffi had to absorb and manage higher costs linked to packaging, logistics, gas and above-all, raw materials. Thanks to its own PV plant, increases in electricity costs do not significantly affect the Income Statement. Net income was of Euro 0.7 m (Euro 1.5 m in H21) and Net Debt stood at Euro 15.2 m, vs. 12.7 m at YFY21 following an increase in NWC partially due to seasonality.

Positive outlook and new FY22 guidance. Our view on the Group remains positive as we continue to expect industry growth in the mid-term driven by the newfound interest for the home and online retail sales. In addition, the Group has recently announced the renewal of the licence agreement with Roberto Cavalli and a new 3-year licence agreement for the worldwide development, production, and distribution of the "Bellora 1883" brand thus confirming the Group's position as market leader. Considering all the above, FY22 results and the current order portfolio, Management provided guidance for FY22 pointing at "revenues in line with prior year and an EBITDA margin between 8-10%".

Estimate revision and valuation update. Based on the above we reviewed our estimates for FY22 to align with guidance. Revenues were hence only finetuned now assuming Euro 60 m (Euro 61 m pr.) whereas we cut our expectations for EBITDA margin to 9% (12.5% pr.) for the reasons already mentioned. We recall the seasonality of the business in favour of the second half of the year. Our expectations for top-line growth in FY23 remained largely unchanged (now 1% vs 2% pr.) and added FY24 to our explicit forecast. We are trimming our TP from Euro 3.35 p.s. to Euro 3.14 p.s. to reflect the cut in estimates and updated market data including a derating of peers' multiples by c. 15% vs. our previous report (Feb 22). Our new target price offers an upside on current stock price of approx. 170%.



Target Price 3.14
(3.35 pr.)

Price (€) 1.18
Market Cap (€ m) 18
EV (€ m) 34

Share Data **As of 14th September, 2022**

Market	Euronext Growth Milan
Reuters/Bloomberg	CLF.MI/CLF IM
ISIN	IT0003025019
N. of Shares	15,628,081
Free Float	40.4%
Main Shareholder	Minerva Srl (55.1%)
CEO	Guido Ferretti

Financials

	2021A	2022E	2023E	2024E
Sales	60.8	60.0	60.6	62.1
YoY %	8%	-1%	1%	2%
EBITDA	8.0	5.4	6.7	8.1
EBITDA %	13.2%	9.0%	11.0%	13.0%
EBIT	5.4	2.7	3.8	5.2
EBIT %	8.8%	4.5%	6.3%	8.3%
NI Group	3.4	1.6	2.5	3.4
Net Debt	12.7	14.8	10.3	5.1
Group Equity	19.7	21.3	23.7	27.1

Performance

	1M	3M	12M
Absolute	-2%	+2%	-1%
Relative (FTSE Italia Growth)	+4%	+5%	+5%
52-week High/Low (Eu)	1.69	/	0.95

Sustainability

Updated ESG Profile
available

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